



CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR

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November 10, 2008

The Honorable Charles B. Rangel
Chairman, House Ways and Means
2354 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Rangel:

I want to thank you for holding a hearing October 29th on economic recovery, job creation and investment in America's infrastructure. As you may recall, I attended Speaker Pelosi's Economic Summit earlier this year to discuss a second economic stimulus package, with my focus on assistance for cities - including infrastructure funding - which could create immediate jobs. I commend your continued leadership in addressing the challenges of our citizens and looking for ways to expedite our nation's economic recovery.

As Congress debates alternative approaches to stimulating the economy, I urge you to consider the following perspective of the City of Atlanta:

- Local governments are on the bleeding edge of the economic crisis facing the nation. The City of Atlanta's 1st quarter revenues (ending Sept. 30) are down 11% from our projections in June. And that is likely to be the best quarter we have this year.
- To accommodate this revenue shortfall, we are facing potentially additional layoffs, having already reduced payroll by 30% in non-public safety departments earlier this year. New York, Philadelphia, Phoenix, Chicago, and others have already announced the elimination of several thousand jobs.
- The lack of liquidity in the financial markets is forcing the suspension of billions of dollars of infrastructure investments that could otherwise help to offset the struggles in the private economy. We are estimating that 3,000 jobs are at risk at Hartsfield Jackson Atlanta International Airport alone due to an inability to issue bonds in this financial environment.

With the private sector hemorrhaging jobs, it makes no sense to add much-needed public sector workers to the ranks of the unemployed. Since private job creation of any magnitude will take significant time to take hold, it is imperative that government at all levels maintain their

workforces and continue to deliver much-needed services. With that goal in mind, we need a comprehensive financial rescue package that attacks these economic issues across a broad front. We need:

- Direct Federal investments in local public infrastructure that will allow cities to keep their workforce employed and at the same time begin to carve away at the \$1.6 trillion “infrastructure deficit” the nation faces. The City of Atlanta – despite a \$4 billion investment in our water/sewer infrastructure and a \$6 billion expansion underway at Hartsfield-Jackson Atlanta International Airport – faces a \$750 million infrastructure deficit. And as the City of Atlanta grows, this deficit widens. We have added 100,000 residents in the last eight years (nearly a 25% increase) and we expect that growth to continue for the foreseeable future. Based on a recently completed study of our future transportation needs, we have identified an additional \$2.2 billion in new infrastructure that the City needs if it is to effectively accommodate the businesses and residents moving to our City. Federal dollars directed toward infrastructure would represent an investment in the long-term productivity of private economy while at the same time preserve jobs that are at immediate risk.
- Immediate injection of liquidity into the financial sector – through investment guarantees or other mechanisms – to jump start the market for public bond issuances. The waiving of the Alternative Minimum Tax related to airport bonds would be one effective method for stimulating the market for public bonds.
- Immediate investment of Federal funds into public safety operations. This might include direct funding for police and fire personnel (through COPS or Title II types of allocations).
- Immediate injection of Federal funds into job training and placement programs. It is imperative that people recently laid off be put back to work as quickly as possible. Programs such as those provided under the Workforce Act and other Department of Labor initiatives have been proven extremely effective in getting people placed in productive work.

Don't Spend, Invest Instead

The City of Atlanta could create 5,500 jobs in 18 months if federal funding for maintenance and repair of essential public works infrastructure were available. Within 3-5 months we could implement \$30 million worth of work and create 300 immediate jobs that would “seed” our longer term efforts. There is little question that targeted investments in public infrastructure will yield the immediate benefit of significant job creation. Perhaps just as important is the fact that high-quality public infrastructure drives the growth and productivity of the private economy. Since in a global economy access to high quality airports, roads, railways and ports is a critical driver of our competitiveness, our country's future economic prosperity is directly related to the level of investment we make in our public infrastructure. In our short-term efforts to pull our

Chairman Charles B. Rangel

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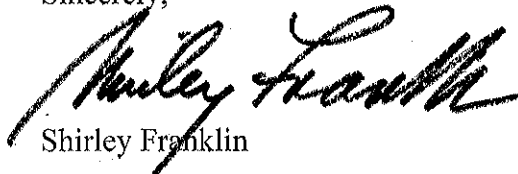
economy out of recession, we should not miss this opportunity to make investments in infrastructure that will improve our economic prospects in the long run.

Bottom line: I urge you and your colleagues to look hard at what is happening to the municipal governments in your districts. They are facing the gravest threat to their financial future than in any time in the last 30 years. We ignore them at our peril. The future prosperity of this country is tied directly to our ability to provide basic services and quality infrastructure to our citizens. We are at serious risk in failing in that most basic public responsibility.

I urge you to support direct investments in our urban centers – through CDBG grants, Workforce Act funding and other direct support programs – that will create good jobs in the short term and stimulate sustainable job creation in the long term. I am eager to work with you and your colleague members to put in place a public infrastructure investment strategy that can truly transform our urban landscape and the future economic prospects of our nation.

Thank you again for your leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Shirley Franklin", written in a cursive style.

Shirley Franklin

CC: Congressman Jack Kingston
Congressman Sanford Bishop
Congressman Lynn Westmoreland
Congressman Hank Johnson
Congressman John Lewis
Congressman Tom Price
Congressman John Linder
Congressman Jim Marshall
Congressman Nathan Deal
Congressman Paul Broun
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